



**IT'S YOUR FUTURE,  
IT'S YOUR BENEFIT**

# History of Social Security Legislation

- **1935 – Retirement Insurance**
- **1939 – Survivors Insurance**
- **1956 – Disability Insurance**
- **1965 – Medicare Program**
- **1972 – Supplemental Security Income**
- **2003 – Medicare Part D**

# A Foundation for Planning Your Future



# Who Gets Benefits from Social Security?

**ABOUT 55 MILLION PEOPLE**

8.3 million Disabled Workers,  
2 million Dependents

4.4 million  
Widows/ Widowers

1.9 million  
Children of  
Deceased Workers

34.9 million Retired Workers  
2.9 million Dependents



Beneficiary Group	Number of People (Millions)
Retired Workers	34.9
Dependents (Retired)	2.9
Disabled Workers	8.3
Dependents (Disabled)	2.0
Widows/Widowers	4.4
Children of Deceased Workers	1.9
<b>Total</b>	<b>55.0</b>

5/2011

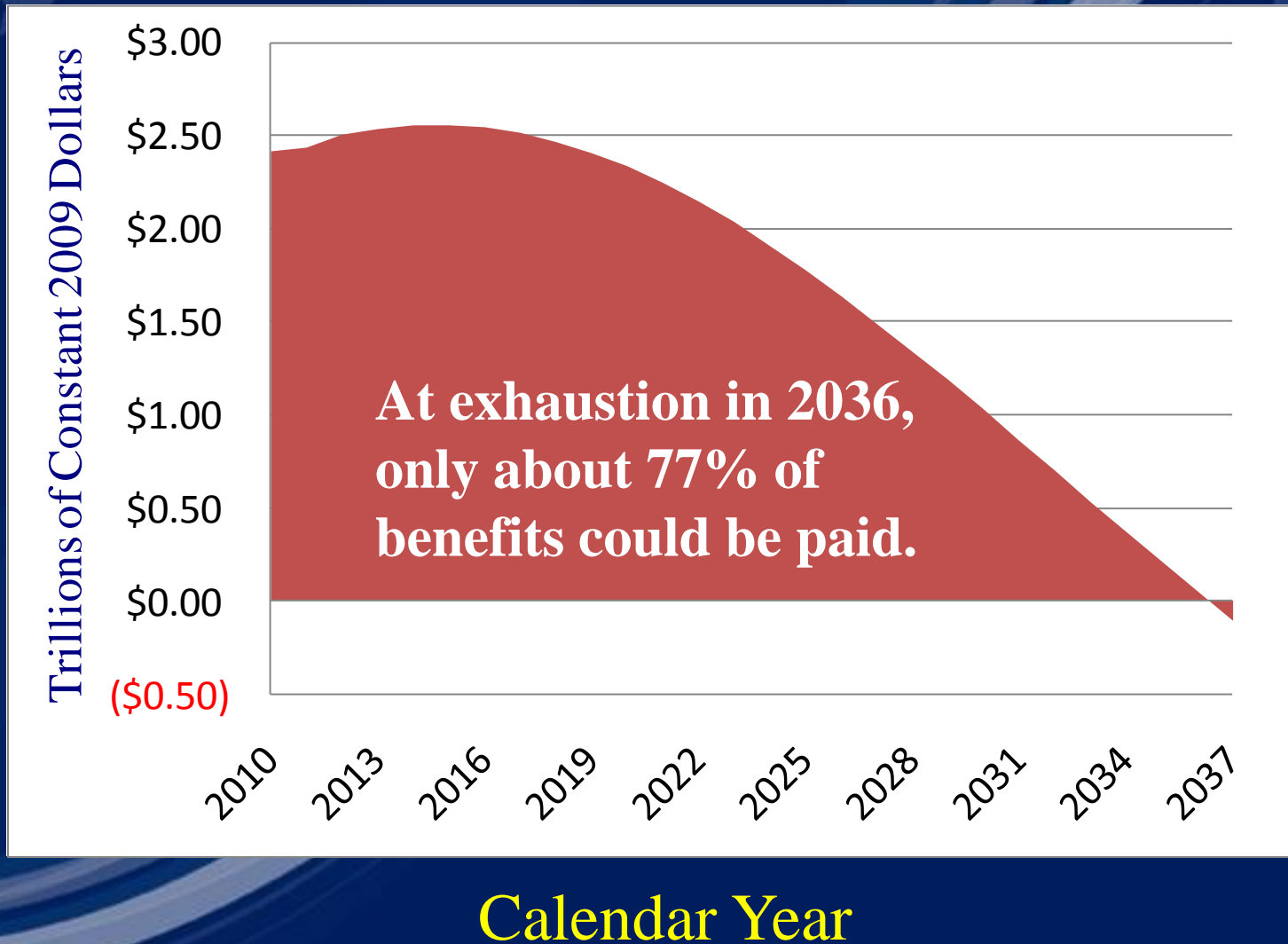
# Social Security Trust Funds During 2010

## Where Does the Money Come From?



Payroll Tax	82%
Trust Fund Interest	15%
Taxation of Benefits	3%

# Social Security Trust Funds will be Exhausted in 2036



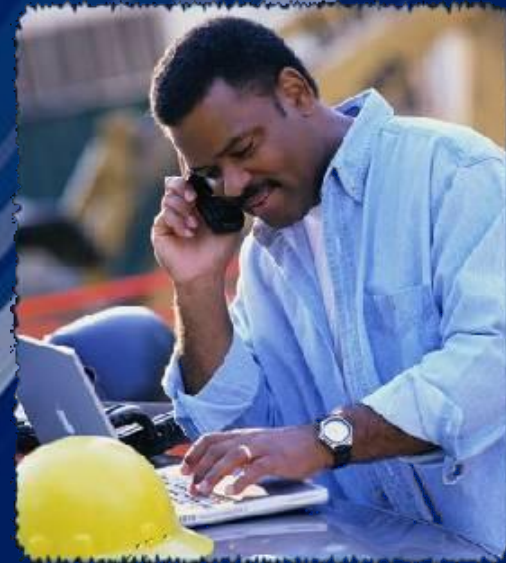




# Retirement Benefits

# You Need to Work to Earn Social Security Credits

- Each \$1,120 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



**Example: To earn 4 credits in 2011, you must earn at least \$4,480. Earning 40 credits throughout your working life will qualify you for a retirement benefit.**



# Full Retirement Age

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943 – 1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or later	67

# How Social Security Determines Your Benefit

## ★ Social Security benefits are based on earnings

- |        |  |
|--------|--|
| Step 1 | Your wages are adjusted for changes in wage levels         |
| Step 2 | Find the monthly average of your 35 highest earnings years |
| Step 3 | Result is “average indexed monthly earnings”               |

# Windfall Elimination Provision

## **WEP Can Apply:**

- **Employment where no FICA/OASDI taxes paid**
- **Pension received based on this work**

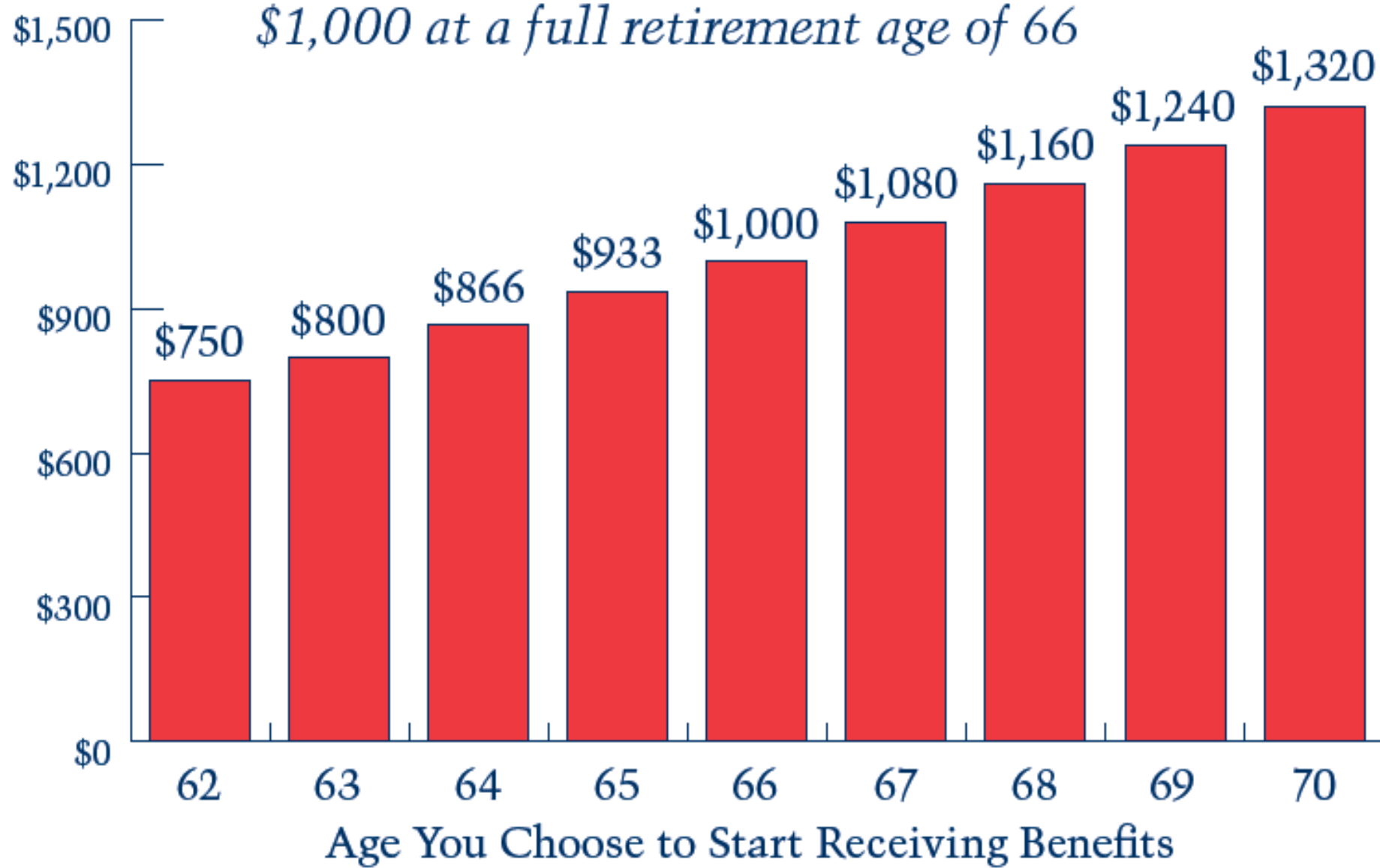
# **Your Age Affects Your Benefits**

## **If You're a Worker and Retire**

- **At age 62, you get a lower monthly payment permanently**
- **At your full retirement age, you get your full benefit**
- **You get an even higher monthly payment if you work past your full retirement age**

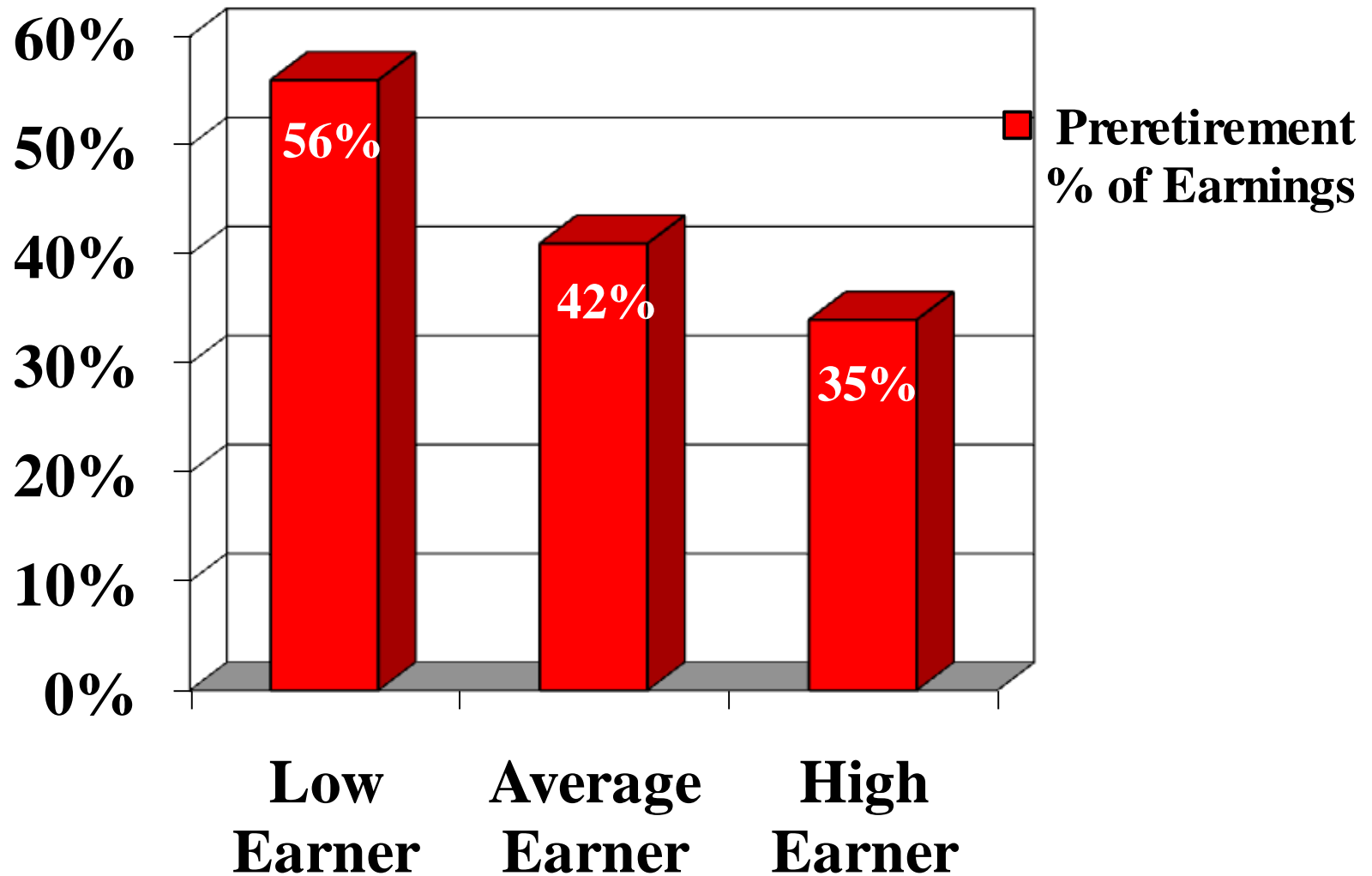
# Monthly Benefit Amounts Differ Based on the Age You Decide to Start Receiving Benefits

*This example assumes a benefit of \$1,000 at a full retirement age of 66*





# What You Can Expect at Full Retirement Age



# Use the New Retirement Estimator

Social Security Online  
www.socialsecurity.gov

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## Benefit Calculators

### About the Retirement Estimator

The Retirement Estimator gives estimates based on your actual Social Security earnings record. Please keep in mind that these are **just** estimates. They will vary slightly from the actual benefit you may get in the future because:

- Your earnings record is always being updated;
- Our estimate makes different assumptions about your career, such as how long you'll keep working and how much you'll make; and
- Your actual future benefit will be adjusted for inflation.

**Note:** The "Bookmark" icon above links to a 3rd party service that is not affiliated with the Social Security Administration. [\[disclaimer\]](#)

#### How the Retirement Estimator Works

#### Who Can Use the Retirement Estimator

**You can use the [Retirement Estimator](#) if:**

- You have enough [Social Security credits](#) at this time to qualify for benefits **and**
- You are **not**:
  - Currently receiving benefits on your own Social Security record;
  - Age 62 or older and receiving benefits on another Social Security record; **or**
  - Eligible for a [Pension Based on Work Not Covered By Social Security](#).

If you are currently receiving only Medicare benefits, you can still get an estimate and "[Retirement Information for Medicare Beneficiaries](#)."

**Caution:** You cannot use the Retirement Estimator if you [blocked access](#) to your personal information.

**Estimate Your Retirement Benefits**

**What is the best age to start receiving retirement benefits?**

**Estimate Your Life Expectancy**

# The *Social Security Statement*

REVIEW

VERIFY

PLAN



# You Can Work & Still Receive Benefits

<u>If You Are</u>	<u>You Can Make Up To</u>	<u>If You Make More, Some Benefits Will Be Withheld</u>
Under Full Retirement Age	\$14,160/yr. (\$1,180/mo.)	\$1 for \$2
The Year Full Retirement Age	\$37,680/yr. (\$3,140/mo.)	\$1 for \$3
Month of Full Retirement Age & Above	No Limit	No Limit



# Social Security Disability Benefits



# **Social Security's Disability Definition:**

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**A medical condition preventing substantial work for at least 12 months, or expected to result in death. The determination also considers age, education & work experience.**

# Who Can Get Disability Benefits?

- **Must have paid into Social Security five out of last 10 years**
- **For workers under age 31, less work is required**



# Supplemental Security Income Program

# Supplemental Security Income (SSI)

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## Who Can Get SSI?

- Age 65 or older
- Blind—any age
- Disabled—any age
- Limited income
- Limited resources



**Noncitizens must meet special requirements to qualify**





# Benefits for Family Members



# Who Else Can Get Benefits on a Worker's Record?

## Spouse

- At age 62
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify

## Child

- Not married under age 18 (under 19 if still in high school)
- Not married and disabled before age 22



# Who Else Can Get Benefits on a Deceased Worker's Record?

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## **Widow or Widower:**

- Full benefits at full retirement age
- Reduced benefits at age 60
- If disabled as early as age 50
- At any age if caring for child under 16 or disabled
- Remarriage after age 60 (50 if disabled)
- Divorced widows/widowers may qualify

## **Children**

# Government Pension Offset (GPO)

**If you receive a government pension based on work not covered by Social Security, your Social Security spouse's or widow(er)'s benefits may be reduced.**





# Medicare Benefits



# Who Can Get Medicare?

**65 & older**

-or-

**Receiving Social Security disability  
benefits at least 24 months**

-or-

**Permanent kidney failure**

-or-

**Amyotrophic Lateral Sclerosis (ALS)**



# Medicare Coverage

## **Part A - Hospital Insurance**

- Covers most inpatient hospital expenses
- 2011 Deductible \$1,132

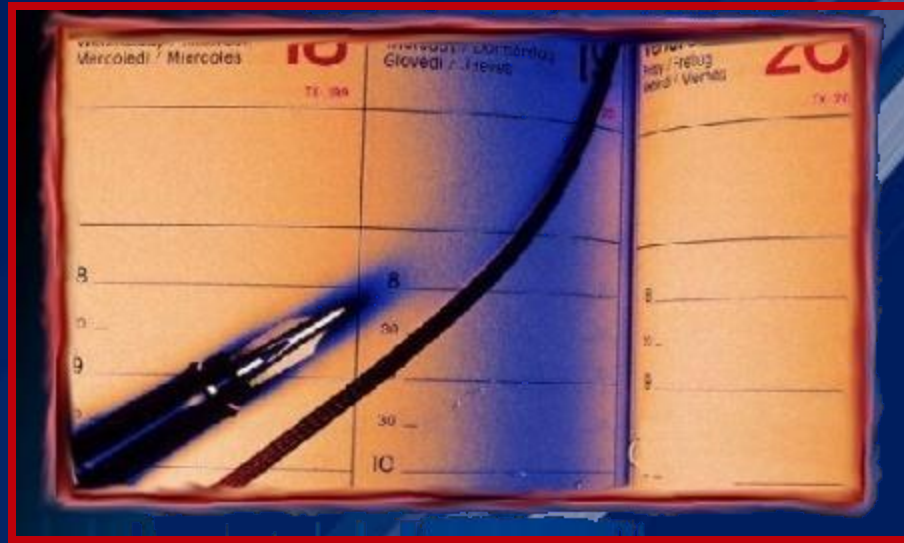
## **Part B - Medical Insurance**

- Covers 80% doctor bills & other outpatient medical expenses after 1<sup>st</sup> \$162 in approved charges
- 2011 Standard Monthly Premium \$115.40

## **Part D - Medicare Prescription Drug Plan**

- Covers a major portion of prescription drug costs for Medicare beneficiaries
- Enroll With Medicare prescription drug provider not SSA
- Annual enrollment period expanded beginning 2011 to October 15 through December 7

# When Can I Sign Up for Medicare?



## Medicare Enrollment Periods:

- Initial –after 24 months Social Security DIB or at age 65
- Special - if still working
- General - January-March

# **Extra Help for Medicare Prescription Drug Costs**

★ **Extra Help is available for beneficiaries with limited resources and income to help pay for the costs—monthly premiums, annual deductibles and prescription co-payments—related to a Medicare prescription drug plan.**

**The Extra Help could be worth  
an average of \$3,900 per year.**

**For More Medicare Information**

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**1-800-MEDICARE**

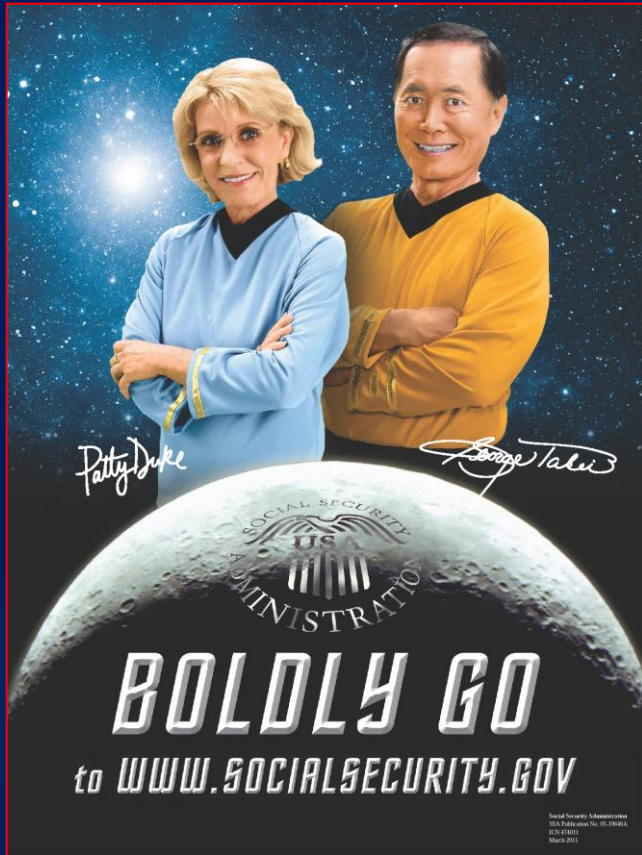
**(1-800-633-4227)**

**TTY 1-877-486-2048**

***www.medicare.gov***



# Boldly Go to Social Security's Online Services



- Estimate future benefits
- **Apply for Retirement & Disability**
- Apply for Extra Help
- **Request a *Statement***
- Change Address
- **Replace Medicare Card**
- Request a Benefit Verification Letter
- **Start or Change Direct Deposit**





# Social Security

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